UNIVERSITY PREPARATORY SCHOOLS
A COMPONENT UNIT OF THE DENVER PUBLIC SCHOOL DISTRICT NO. 1

DENVER, COLORADO

FINANCIAL STATEMENTS
WITH THE INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

UNIVERSITY PREPARATORY SCHOOLS
(A COMPONENT UNIT OF DENVER PUBLIC SCHOOL DISTRICT)
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June 30, 2024

DMC
AUDITING AND CONSULTING, LLC
(720) 422-1352
DCHERNYAK@DMCCPAS.NET

INDEPENDENT AUDITOR'S REPORT

Board of Directors
University Preparatory Schools
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the of the University Preparatory Schools (the Network), a component unit of the Denver Public School District No. 1, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of University Preparatory Schools, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Network as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
University Preparatory Schools

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Network's fiscal year ended June 30, 2023, financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DMC Auditing and Consulting, LLC

October 14, 2024
Bailey, Colorado

University Preparatory Schools
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2024

As management of University Preparatory Schools (UPREP or the Network), we offer readers of University Preparatory Schools's basic financial statements this narrative overview and analysis of the financial activities of the Network for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The Network operates three campuses, University Prep – Arapahoe, University Prep – Steele Street, and University Prep – Commerce City. The year ended June 30, 2024 is the twelfth year of operations for the Arapahoe Street campus and the seventh year of operations for the Steele Street campus. The Commerce City campus began serving preschool students in August 2024.

As of June 30, 2024, net position decreased by $757,164 to $2,562,874. University Preparatory Schools's governmental funds reported an ending fund balance of $3,815,627, a decrease of $1,337,246 from the prior year.

The operations of the Network are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue (PPR). State and tax revenue for the year from PPR was $6,995,520.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Network's basic financial statements. The Network's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Network's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Network's assets and liabilities, and deferred inflows and outflows, with the difference being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end).

The government-wide statement of activities distinguishes functions/programs of the Network supported primarily by Per Pupil Revenue or other revenues passed through from the Network's authorizer (Denver Public Schools). The governmental activities of UPREP include instruction and supporting services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Network keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Network's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Network maintains one governmental fund, which consists of activity from each campus and a home office, and adopts annually appropriated budgets for the fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Network's financial position. For the fiscal year ended June 30, 2024, UPREP's net position was $2,562,874. This position includes a net pension liability in the amount of $3,740,303, representing the Network's proportionate share of the Denver Public Schools Division pension liability, administered by the Public Employees' Retirement Association of Colorado (PERA). The Network reports this net pension liability, and associated deferred inflows and outflows of resources, as required by GASB (Governmental Accounting Standards Board) 68. The Network's net position also includes a net OPEB (Other Post-Employment Benefits) asset in the amount of $26,478, representing the Network's proportionate share of the defined benefit Health Care Trust Fund, administered by PERA. The Network reports this net OPEB asset, and associated deferred inflows and outflows of resources, as requirement by GASB 75. More information regarding the net pension and OPEB assets and liabilities may be found in the notes to the financial statements.

Of the Network's total net position, $600,394 is invested in capital assets and $369,430 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

University Preparatory Schools's Net Position

	2023-2024	2022-2023
ASSETS		
Cash and Investments	$ 3,897,482	$ 3,665,637
Accounts Receivable	2,000	15,392
Grants Receivable	12,694	1,540,951
Inventory	38,149	46,434
Prepaid Expenses	132,747	47,425
Deposit	9,667	-
Capital Assets, Not Being Depreciated	557,546	-
Capital Assets, Net of Accumulated Depreciation	42,848	42,134
Net OPEB Asset	26,478	-
TOTAL ASSETS	4,719,611	5,357,973
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	2,272,719	1,962,684
OPEB, Net of Accumulated Amortization	50,984	69,167
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,323,703	2,031,851
LIABILITIES		
Accounts Payable	275,093	129,303
Accrued Liabilities	2,019	33,663
Noncurrent Liabilities		
Net Pension Liability	3,740,303	3,043,797
Net OPEB Liability	-	52,775
TOTAL LIABILITIES	4,017,415	3,259,538
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	387,390	725,904
OPEB, Net of Accumulated Amortization	75,645	84,344
TOTAL DEFERRED INFLOWS OF RESOURCES	463,025	810,248
NET POSITION		
Net Investment in Capital Assets	600,394	42,134
Restricted for Emergencies	369,430	287,800
Unrestricted	1,593,050	2,990,104
TOTAL NET POSITION	$ 2,562,874	$ 3,320,038

University Preparatory Schools's Change in Net Position

	2023-2024	2022-2023
REVENUES		
Per Pupil Revenue	$ 6,995,520	$ 5,794,981
Mill Levy Funding	2,289,252	1,792,061
Charges for Services	29,352	446,851
Operating Grants and Contributions	1,612,455	3,526,543
Interest	107,883	74,050
Other	120,025	-
TOTAL REVENUE	11,158,424	11,634,486
EXPENSES		
Instructional	5,441,449	5,232,825
Support Services	6,470,202	5,618,544
TOTAL EXPENSES	11,915,651	10,851,369
CHANGE IN NET POSITION	(757,164)	783,117
NET POSITION, Beginning	3,320,038	2,536,921
NET POSITION, Ending	$ 2,562,874	$ 3,320,038

Financial Analysis of the Government's Funds

As noted earlier, the Network uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The focus of the Network's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Network's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Network's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Network's General Fund reported an ending fund balance of $3,815,627, a decrease of $1,337,246 from the prior year. Governmental fund activity by campus and home office may be found on pages 37 and 38 of the financial statements.

General Fund Budgetary Highlights

UPREP recognized $3,044,751 less revenue than expected and spent $2,077,214 less than planned, when compared to the final budget. There were budget amendments during the year, which reflected changes in revenues and expenditures. Overall, revenue and expenses were finetuned to account for changes to student enrollment and funding assumptions. Additional budgetary comparision information may be found on pages 31 and 39-42 of the financial statements.

Capital Assets & Long-Term Debt

The Network has invested in capital assets for construction in progress, leasehold improvements, and equipment. Depreciation expenses for capital assets are booked under the instructional program of the Network's operations. More information regarding capital assets may be found in Note 3 to the financial statements.

The Network has no long-term obligations outside of those related to pensions (GASB 68) and the Other Post Employment Benefit Plan (OPEB) (GASB 75).

Economic Factors and Next Year's Budget

The primary factor driving the budget for University Preparatory Schools is student enrollment. Enrollment for the 2023-2024 school year was 614.00 funded students. Enrollment projected for 2024-2025 is 642.00 funded students. This factor was considered when preparing UPREP's budget for 2024-2025.

Requests for Information

This financial report is designed to provide a general overview of University Preparatory Schools's finances for all those with an interest in the Network's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Network:

University Prep – Arapahoe Street
2409 Arapahoe Street
Denver, CO 80205

University Prep – Steele Street
3230 East 38th Avenue
Denver, CO 80205

University Prep – Commerce City
6201 Holly St
Commerce City, CO 80022

BASIC FINANCIAL STATEMENTS

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF NET POSITION
June 30, 2024

	PRIMARY GOVERNMENT	
	GOVERNMENTAL ACTIVITIES	
	2024	2023
ASSETS		
Cash and Investments	$ 3,897,482	$ 3,665,637
Accounts Receivable	2,000	15,392
Grants Receivable	12,694	1,540,951
Inventories	38,149	39,390
Prepaid Expenses	132,747	54,469
Deposit	9,667	-
Capital Assets, *Not Being Depreciated*	557,546	-
Capital Assets, *Net of Accumulated Depreciation*	42,848	42,134
Net OPEB Asset	26,478	-
TOTAL ASSETS	4,719,611	5,357,973
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, *Net of Accumulated Amortization*	2,272,719	1,962,684
OPEB, *Net of Accumulated Amortization*	50,984	69,167
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,323,703	2,031,851
LIABILITIES		
Accounts Payable	275,093	129,303
Accrued Liabilities	2,019	33,663
Noncurrent Liabilities		
Net Pension Liability	3,740,303	3,043,797
Net OPEB Liability	-	52,775
TOTAL LIABILITIES	4,017,415	3,259,538
DEFERRED INFLOWS OF RESOURCES		
Pensions, *Net of Accumulated Amortization*	387,390	725,904
OPEB, *Net of Accumulated Amortization*	75,635	84,344
TOTAL DEFERRED INFLOWS OF RESOURCES	463,025	810,248
NET POSITION		
Net Investment in Capital Assets	600,394	42,134
Restricted for Emergencies	369,430	287,800
Unrestricted	1,593,050	2,990,104
TOTAL NET POSITION	$ 2,562,874	$ 3,320,038

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION, GOVERNMENTAL ACTIVITIES: 2024	2023
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	$ 5,441,449	$ 29,352	$ 1,137,299	$ (4,274,798)	$ (1,800,854)
Supporting Services	6,470,202	-	475,156	(5,995,046)	(5,077,121)
TOTAL GOVERNMENTAL ACTIVITIES	$ 11,911,651	$ 29,352	$ 1,612,455	(10,269,844)	(6,877,975)
GENERAL REVENUES					
Per Pupil Revenue				6,995,520	5,794,981
Mill Levy Override				2,289,252	1,792,061
Investment Income				107,883	74,050
Other				120,025	-
TOTAL GENERAL REVENUES				9,512,680	7,661,092
CHANGE IN NET POSITION				(757,164)	783,117
NET POSITION, Beginning				3,320,038	2,536,921
NET POSITION, Ending				$ 2,562,874	$ 3,320,038

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	2024	2023
ASSETS		
Cash and Investments	$ 3,897,482	$ 3,665,637
Accounts Receivable	2,000	15,392
Grants Receivable	12,694	1,540,951
Inventories	38,149	39,390
Prepaid Expenditures	132,747	54,469
Deposit	9,667	-
TOTAL ASSETS	$ 4,092,739	$ 5,315,839
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 275,093	$ 129,303
Accrued Liabilities	2,019	33,663
TOTAL LIABILITIES	277,112	162,966
FUND BALANCES		
Nonspendable Inventories and Prepaid Expenditures	180,563	93,859
Restricted for Emergencies	369,430	287,800
Assigned for Capital Projects	70,828	48,371
Unassigned	3,194,806	4,722,843
TOTAL FUND BALANCES	3,815,627	5,152,873
TOTAL LIABILITIES AND FUND BALANCES	$ 4,092,739	$ 5,315,839

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Fund	$	3,815,627
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		600,394
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Net Pension Liability		(3,740,303)
Pension-Related Deferred Outflows of Resources		2,272,719
Pension-Related Deferred Inflows of Resources		(387,390)
Net OPEB Assets		26,478
OPEB-Related Deferred Outflows of Resources		50,984
OPEB-Related Deferred Inflows of Resources		(75,635)
Total Net Position of Governmental Activities	$	2,562,874

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	2024	2023
REVENUES		
Local Sources	$ 10,117,337	$ 8,927,911
State Sources	275,194	546,404
Federal Sources	761,956	2,160,171
TOTAL REVENUES	11,154,487	11,634,486
EXPENDITURES		
Current		
Instruction	5,454,291	5,491,961
Supporting Services	7,037,442	5,789,917
TOTAL EXPENDITURES	12,491,733	11,281,878
CHANGE IN FUND BALANCES	(1,337,246)	352,608
FUND BALANCES, Beginning	5,152,873	4,800,265
FUND BALANCES, Ending	$ 3,815,627	$ 5,152,873

UNIVERSITY PREPARATORY SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balance of Governmental Fund	$	(1,337,246)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation Expense		(5,246)
Capital Outlay		563,506
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Net Pension Liability		(696,506)
Pension-Related Deferred Outflows of Resources		310,035
Pension-Related Deferred Inflows of Resources		338,514
Net OPEB Liability		79,253
OPEB-Related Deferred Outflows of Resources		(18,183)
OPEB-Related Deferred Inflows of Resources		8,709
Change in Net Position of Governmental Activities	$	(757,164)

NOTE 1: Summary of Significant Accounting Policies

University Preparatory Schools (the Network) was organized pursuant to the Colorado Charter Networks Act to form and operate a charter school within the Denver Public School District in the State of Colorado. The Network consists of two schools and a third school to open in the upcoming year. The Network consists of the Arapahoe, Steele Street, and the Commerce City campuses.

The accounting policies of the Network conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the Network's significant accounting policies.

Reporting Entity

The financial reporting entity consists of the Network, organizations for which the Network is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Network. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Network. Legally separate organizations for which the Network is financially accountable are considered part of the reporting entity. Financial accountability exists if the Network appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the Network. The financial statements of the Network do not include any separately administered organizations. The Network is a component unit of the Denver Public School District.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Network. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the Network reports the following major governmental fund:

The *General Fund* is the Network's primary operating fund. It accounts for all financial resources of the Network.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. The Network considers all other revenues to be available if they are collected within 60 days of the end of the current year, except for State and federal grants.

Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when received by the Network.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for a specific use, it is the Network's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Fund Balance / Net Position

Cash and Investments – For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories - Inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis. Purchased inventories are recorded at cost.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Leasehold improvements	10 - 40 years

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Balance / Net Position (Continued)

Deferred Outflows of Resources – Deferred outflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not recognized as a use of current financial resources.

Accrued Salaries and Benefits - Salaries and retirement benefits are paid July to June but are earned during a school year of approximately nine to ten months.

Compensated Absences – Network's policy allows employees to accumulate sick leave and personal leave. However, employees are not paid for unused sick or personal leave upon termination of employment.

Pensions - The Network participates in the Denver Public School Division Trust Fund (DPSDTF), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the DPSDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - The Network participates in the Denver Public Schools Denver Public Schools Health Care Trust Fund (DPSHCTF), a single-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the DPSHCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF. For this purpose, the DPSHCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not available as current financial resources.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action. The Network has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Network uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

NOTE 2: Cash and Investments

At June 30, 2024, the Network had the following cash and investments:

Petty Cash	$	396
Deposits		1,873,318
Investments		2,023,768
Total	$	3,897,482

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2024, the Network had bank deposits of $1,617,137 collateralized with securities held by the financial institution's agent but not in the Network's name.

Investments

The Network is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Fair Value Measurements - At June 30, 2024, the District's investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the Network may invest in a single issuer of investment securities, except for corporate securities.

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2024, the Network had $2,023,768 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pools are reported at net asset value per share, with each share valued at $1. The Pools are rated AAAm by Standard and Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2024, is summarized below.

	Balances 6/30/2023	Additions	Deletions	Balances 6/30/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ -	$ 557,546	$ -	$ 557,546
Capital Assets, Being Depreciated:				
Leasehold Improvements	61,854	-	-	61,854
Equipment	-	5,960	-	5,960
Total Capital Assets, Being Depreciated	61,854	5,960	-	67,814
Less Accumulated Depreciation:				
Leasehold Improvements	(19,720)	(4,352)	-	(24,072)
Equipment	-	(894)	-	(894)
Total Accumulated Depreciation	(19,720)	(5,246)	-	(24,966)
Capital Assets, Being Depreciated, Net	42,134	714	-	42,848
Governmental Activities Capital Assets, Net	$ 42,134	$ 558,260	$ -	$ 600,394

Depreciation expense of the governmental activities was charged to the instructional programs of the Network.

NOTE 4: Defined Benefit Pension Plan

General Information

Plan Description - The Network contributes to the Denver Public Schools Division Trust Fund (DPSDTF), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the Network participate in the DPSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report (ACFR), including information on the DPSDTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023 - The DPSDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) $15 times the first 10 years of service credit plus $20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors. In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the CRS. Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

NOTE 4: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) described previously, considering a minimum of twenty years of service credit, if deemed disabled. Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contribution provisions as of June 30, 2024 - The Network and eligible employees and the State are required to contribute to the DPSDTF at rates established by Title 24, Article 51, Part 4 of the CRS. The contribution requirements for the DPSDTF are established and may be amended by the State Legislature. The contribution rate for employees was 11% of their PERA-includable salary during the period from July 1, 2023, through June 30, 2024. The Network's contribution rate for the fiscal year was 9.45% of covered salaries from July 1, 2023, through December 31, 2023, and 10.6% from January 1, 2024, through June 30, 2024. However, a portion of the Network's contribution (1.02% of covered salaries) is allocated to the Denver Public Schools Health Care Trust Fund (Note 5). The Network's contributions to the DPSDTF for the year ended June 30, 2024, were $556,440, equal to the required contributions.

The DPSDTF is permitted under CRS § 24-51-412 to offset the contribution rate for Pension Certificates of Participation (PCOP). The offset, expressed as a percentage of covered payroll, is equal to the annual assumed payment obligations for PCOPs issued in 1997 and 2008, including subsequent refinancing, by the Denver Public Schools at a fixed effective annual interest rate of 8.5%. At a minimum, the DPSDTF employer rate, after applying the PCOP offset, must be sufficient to fund the Denver Public Schools Health Care Trust Fund (DPS HCTF) and the annual increase reserve contribution rates as it applies to the DPSDTF.

To conform with this presentation of contribution rates, the 2022 annual Pension Certificates of Participation (PCOP) offset of 11.47% has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements based on Title 24, Article 51, Part 412. Employer contributions are recognized by the DPSDTF in the period in which the compensation becomes payable to the member and the Network is statutorily committed to pay the contributions to the DPSDTF.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPSDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPSDTF based on the proportionate amount of annual payroll of the DPSDTF to the total annual payroll of the DPSDTF. Direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, CRS § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added CRS § 24-51-414(9) provides compensatory payment of $14.561 million for 2023 only.

NOTE 4: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the DPSDTF was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total pension liability to December 31, 2023. The Network proportion of the net pension liability was based on the Network contributions to the DPSDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the Network reported a liability of $3,740,303 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Network as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the Network were as follows:

Network's proportionate share of the net pension liability	$ 3,740,303
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Network	176,928
Total	$ 3,917,231

At December 31, 2023, the Network's proportion was 0.5774710775%, which was an increase of 0.2266937414% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the Network recognized pension expense of $605,215 and a revenue of ($14,450) representing support from the state as a nonemployer contributing entity. At June 30, 2024, the Network reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 212,862	$ -
Net difference between projected and actual earnings on plan investments	990,546	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	774,929	387,390
Contributions subsequent to the measurement date	294,382	-
Total	$ 2,272,719	$ 387,390

NOTE 4: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Network contributions subsequent to the measurement date of $294,382 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,		
2025	$	145,534
2026		704,193
2027		1,013,870
2028		(272,650)
Total	$	1,590,947

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07 thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

The mortality tables are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

NOTE 4: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term exptected nominal rate of return of 7.25%.

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to the actuarial cost method and assumptions. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.

NOTE 4: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.

- Network contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Network contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated Network contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, Network contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including DPSDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.

- Employer contributions for the DPSDTF are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

- Network contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.

- The annual increase reserve balance was excluded from the initial fiduciary net position. Based on State statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

NOTE 4: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Based on the above assumptions and methods, the DPSDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Network's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the Network's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 7,372,019	$ 3,740,303	$ 750,759

Pension Plan Fiduciary Net Position - Detailed information about the DPSDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report (ACFR), which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 5: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the Network are eligible to receive postemployment benefits other than pensions (OPEB) through the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carryout the purposes of the PERACare program, including administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the DPS HCTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

NOTE 5: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the Death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure - The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and $115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of recipients not covered by Medicare Part A.

DPS Benefit Structure - The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. The subsidy is reduced by 5% for each year of service less than 20 years. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the DPS HCTF or the HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

NOTE 5: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the Network's contributions to the DPSDTF (Note 4) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The Network's apportionment to the HCTF for the year ended June 30, 2024, was $56,613, equal to the required amount.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Network reported a net OPEB liability (asset) of ($26,478), representing its proportionate share of the net OPEB liability (asset) of the DPS HCTF. The net OPEB liability (asset) was measured at December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023.

The Network's proportion of the net OPEB liability (asset) was based on the Network's contributions to the DPS HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers.

At December 31, 2023, the Network's proportion was 0.6048002132%, which was an increase of 0.0043311424% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the Network recognized OPEB expense of ($13,165). At June 30, 2024, the Network reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 53,398
Changes of assumptions and other inputs	689	20,690
Net difference between projected and actual earnings on plan investments	12,882	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,086	1,547
Contributions subsequent to the measurement date	28,327	-
Total	$ 50,984	$ 75,635

NOTE 5: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Network contributions subsequent to the measurement date of $28,327 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2025	$ (18,992)
2026	(10,684)
2027	(3,846)
2028	(12,277)
2029	(5,822)
2030	(1,357)
Total	$ (52,978)

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.5% in 2023, gradually increasing to 4.5% in 2035	
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

UnitedHealthcare MAPD PPO plans are 0% for 2023.

NOTE 5: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, the plan options include 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and Older	0.0%	0.0%

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2023 for the DPS HCTF Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 1,692	$ 1,406	$ 579	$ 481	$ 1,913	$ 1,589
70	$ 1,901	$ 1,573	$ 650	$ 538	$ 2,149	$ 1,778
75	$ 2,100	$ 1,653	$ 718	$ 566	$ 2,374	$ 1,869

Sample Age	MAPD PPO #1 without Medicare Part A for Retiree / Spouse		MAPD PPO #2 without Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) without Medicare Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 6,469	$ 5,373	$ 4,198	$ 3,487	$ 6,719	$ 5,581
70	$ 7,266	$ 6,011	$ 4,715	$ 3,900	$ 7,546	$ 6,243
75	$ 8,026	$ 6,319	$ 5,208	$ 4,101	$ 8,336	$ 6,563

The 2022 Medicare Part A premium is $506 per month. All costs are subject to the health care cost trend rates.

NOTE 5: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Measurement Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for the DPSDTF, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF, but developed using a headcount-weighted basis. DPSDTF participates in the DPS HCTF.

The pre-retirement mortality assumptions for the DPS HCTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the DPS HCTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

NOTE 5: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for DPS HCTF members were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The health care costs assumptions were updated and used in the roll-forward calculation for the DPS HCTF. Per capita health care costs as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2023 plan year. The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status from actuary's claims data warehouse. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA's actuary.

The actuarial assumptions used in the December 31, 2022, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

NOTE 5: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the DPS HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.

NOTE 5: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Based on the above assumptions and methods, the DPS HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Network's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability (Asset)	$ (27,555)	$ (26,478)	$ (25,613)

Sensitivity of the Network's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability (asset)	$ 10,765	$ (26,478)	$ (58,121)

OPEB Plan Fiduciary Net Position - Detailed information about the DPS HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 6: Commitments and Contingencies

Claims and Judgments

The Network participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Network may be required to reimburse the grantor government. At June 30, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Network.

NOTE 6: Commitments and Contingencies (Continued)

Facilities Use Agreement

On July 1, 2020, the Network entered into facilities use agreements with the Denver Public School District (the District) for the Arapahoe Campus facility and the Steele Street Campus facility for the duration of the charter contract. The Network will pay a variable monthly per pupil facility rate times the number of enrolled pupils without a minimum payment. During the fiscal year ended June 30, 2024, the Network paid $618,080 for the use of these facilities.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The Network is subject to the Amendment.

The Amendment is subject to many interpretations, but the Network believes it is in substantial compliance with the Amendment. The Amendment requires the Network to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2024, the Network's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $369,430.

NOTE 7: Risk Management

The Network is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Network carries commercial insurance for all other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial or Network coverages in any of the past three years.

NOTE 8: Subsequent Event

On December 13, 2023, the Network entered into a lease agreement for the right-to-use a building and premises for the Commerce City school that commences on August 1, 2024, through June 30, 2025. The Network has the right to extend the lease with two five-year optional renewal terms on July 1, 2025, and July 1, 2030, respectively. Payments will be made on a monthly basis in ten monthly installments of $8,575 beginning on August 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 6,595,206	$ 6,995,523	$ 6,995,520	$ (3)
Mill Levy Override	2,091,237	2,289,211	2,289,252	41
Grants and Donations	724,735	1,241,735	575,305	(666,430)
Charges for Services	2,022,070	2,320,579	29,352	(2,291,227)
Interest	27,613	107,683	107,883	200
Other	160,148	122,861	120,025	(2,836)
State Sources				
Grants	407,391	379,144	275,194	(103,950)
Federal Sources				
Grants	388,020	742,502	761,956	19,454
TOTAL REVENUES	12,416,420	14,199,238	11,154,487	(3,044,751)
EXPENDITURES				
Current				
Instruction				
Salaries	3,349,794	3,571,666	3,400,940	170,726
Benefits	1,045,200	1,091,995	947,442	144,553
Purchased Services	719,831	725,485	687,863	37,622
Supplies and Materials	629,036	374,716	211,608	163,108
Property	51,928	248,547	205,986	42,561
Other	-	-	452	(452)
Total Instruction	5,795,789	6,012,409	5,454,291	558,118
Supporting Services				
Salaries	2,200,771	2,194,717	2,378,158	(183,441)
Benefits	658,780	644,299	609,598	34,701
Purchased Services	2,804,806	4,710,240	2,863,086	1,847,154
Supplies and Materials	201,800	430,657	510,167	(79,510)
Property	3,392	528,908	610,325	(81,417)
Other	186,260	47,717	66,108	(18,391)
Total Supporting Services	6,055,809	8,556,538	7,037,442	1,519,096
TOTAL EXPENDITURES	11,851,598	14,568,947	12,491,733	2,077,214
CHANGE IN FUND BALANCE	564,822	(369,709)	(1,337,246)	(967,537)
FUND BALANCE, Beginning	4,602,518	5,152,873	5,152,873	-
FUND BALANCE, Ending	$ 5,167,340	$ 4,783,164	$ 3,815,627	$ (967,537)

UNIVERSITY PREPARATORY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND
Year Ended June 30, 2024

	12/31/23	12/31/22	12/31/21	12/31/20
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
Network's Proportion of the Net Pension Liability	0.5774710775%	0.3507773361%	0.4537000000%	0.5600000000%
Network's Proportionate Share of the Net Pension Liability	$ 3,740,303	$ 3,043,797	$ 27,089	$ 2,519,502
State's Proportionate Share of the Net Pension Liability Associated with the Network	176,928	2,165,688	7,953	-
Total Proportionate Share of the Net Pension Liability	3,917,231	5,209,485	35,042	2,519,502
Network's Covered Payroll	$ 5,589,885	$ 4,915,359	$ 4,915,359	$ 4,793,006
Network's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	67%	62%	1%	53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87%	82%	75%	67%

	6/30/24	6/30/23	6/30/22	6/30/21
Network Contributions				
Statutorily Required Contribution	$ 556,440	$ 517,733	$ 397,220	$ 350,356
Contributions in Relation to the Statutorily Required Contribution	(556,440)	(517,733)	(397,220)	$ (350,356)
Contribution Deficiency (Excess)	$ -	$ -	$ -	-
Network's Covered Payroll	$ 5,550,274	$ 5,721,483	$ 4,849,126	$ 4,701,052
Contributions as a Percentage of Covered Payroll	10.03%	9.05%	8.19%	7.45%

12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
0.3896000000%	0.3690000000%	0.5734000000%	0.5885000000%	0.3250000000%	0.2329000000%
$ 2,567,096	$ 3,774,472	$ 5,140,122	$ 6,447,369	$ 2,705,031	$ 1,454,407
1,137,689	1,955,554	-	-	-	-
3,704,785	5,730,026	5,140,122	6,447,369	2,705,031	1,454,407
$ 4,177,103	$ 4,085,294	$ 3,886,252	$ 2,940,143	$ 2,450,254	$ 1,243,182
61%	92%	132%	219%	110%	117%
65%	57%	44%	43%	59%	63%
06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
$ 268,613	$ 183,626	$ 184,200	$ 153,284	$ 72,890	$ 71,507
$ (268,613)	$ (183,626)	$ (184,200)	$ (153,284)	$ (72,890)	$ (71,507)
-	-	-	-	-	-
$ 4,177,104	$ 4,085,294	$ 4,098,045	$ 3,521,844	$ 2,450,254	$ 1,481,803
6.43%	4.49%	4.49%	4.35%	2.97%	4.83%

UNIVERSITY PREPARATORY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
Year Ended June 30, 2024

	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
Network's Proportion of the Net OPEB Liability	0.6048002132%	0.6004690708%	0.5818000000%
Network's Proportionate Share of the Net OPEB Liability (Asset)	$ (26,478)	$ 52,775	$ 61,202
Network's Covered Payroll	$ 5,589,885	$ 4,915,359	$ 4,915,359
Network's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0%	1%	1%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	-7%	86%	84%
	6/30/24	**6/30/23**	**6/30/22**
Network's Contributions			
Statutorily Required Contribution	$ 56,613	$ 58,359	$ 49,462
Contributions in Relation to the Statutorily Required Contribution	(56,613)	(58,359)	(49,462)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Network's Covered Payroll	$ 5,550,274	$ 5,721,483	$ 4,849,126
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
	0.5600000000%	0.5623000000%	0.5602000000%	0.5718000000%	0.5886000000%
	$ 128,198	$ 207,131	$ 253,022	$ 291,393	$ 320,819
	$ 4,793,006	$ 4,177,103	$ 4,085,294	$ 3,886,252	$ 2,940,143
	3%	5%	6%	7%	11%
	65%	47%	35%	30%	25%

	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
	$ 47,951	$ 42,607	$ 41,670	$ 41,800	$ 35,923
	(47,951)	(42,607)	(41,670)	(41,800)	(35,923)
	$ -	$ -	$ -	$ -	$ -
	$ 4,701,052	$ 4,177,104	$ 4,085,294	$ 4,098,045	$ 3,521,844
	1.02%	1.02%	1.02%	1.02%	1.02%

UNIVERSITY PREPARATORY SCHOOLS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The Network adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by the Board of Directors.
- Expenditures may not legally exceed budget appropriations at the fund level. Revisions that alter the total expenditures of the General Fund must be approved by the Board of Directors.
- All appropriations lapse at fiscal year-end.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

HCTF Plan – No changes made to the actuarial methods or assumptions.

NOTE 3: Changes in Assumptions and Other Inputs

No changes made to the actuarial methods or assumptions.

SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOLS
COMBINING BALANCE SHEET BY CAMPUS
June 30, 2024

	GENERAL FUND				TOTAL	
	HOME OFFICE	ARAPAHOE ST. CAMPUS	STEELE ST. CAMPUS	COMMERCE CITY	2024	2023
ASSETS						
Cash and Investments	$ 259,742	$ 1,231,812	$ 2,322,595	$ 83,333	$ 3,897,482	$ 3,665,637
Accounts Receivable	2,000	-	-	-	2,000	15,392
Grants Receivable	-	6,419	6,275	-	12,694	1,540,951
Receivable from Schools/Home Office	844,919	-	310,409	-	1,155,328	252,974
Inventories	-	19,876	18,273	-	38,149	39,390
Prepaid Expenditures	6,404	66,750	47,313	12,280	132,747	54,469
Deposits	-	-	-	9,667	9,667	-
TOTAL ASSETS	$ 1,113,065	$ 1,324,857	$ 2,704,865	$ 105,280	$ 5,248,067	$ 5,568,813
LIABLITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 275,093	$ -	$ -	$ -	$ 275,093	$ 129,303
Accrued Liabilities	2,019	-	-	-	2,019	33,663
Payable to Schools/Home Office	-	287,887	-	867,441	1,155,328	252,974
TOTAL LIABILITIES	277,112	287,887	-	867,441	1,432,440	415,940
FUND BALANCES						
Nonspendable	6,404	86,626	65,586	21,947	180,563	93,859
Restricted for Emergencies	72,811	136,540	160,079	-	369,430	287,800
Assigned for Capital Projects	-	28,573	42,255	-	70,828	48,371
Unassigned	756,738	785,231	2,436,945	(784,108)	3,194,806	4,722,843
TOTAL FUND BALANCES	835,953	1,036,970	2,704,865	(762,161)	3,815,627	5,152,873
TOTAL LIABILITIES AND FUND BALANCES	$ 1,113,065	$ 1,324,857	$ 2,704,865	$ 105,280	$ 5,248,067	$ 5,568,813

UNIVERSITY PREPARATORY SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL CAMPUS
Year Ended June 30, 2024

	GENERAL FUND				TOTAL	
	HOME OFFICE	ARAPAHOE ST. CAMPUS	STEELE ST. CAMPUS	COMMERCE CITY	2024	2023
REVENUES						
Local Sources	$ 2,427,048	$ 4,425,403	$ 5,187,015	$ 123,455	$ 12,162,921	$ 9,813,423
State Sources	4,237	125,933	145,024	-	275,194	546,404
Federal Sources	-	258,286	253,259	250,411	761,956	2,160,171
TOTAL REVENUES	2,431,285	4,809,622	5,585,298	373,866	13,200,071	12,519,998
EXPENDITURES						
Current						
Instruction	60,870	2,573,944	2,605,682	213,795	5,454,291	5,491,961
Supporting Services	1,556,511	3,210,695	3,367,366	948,454	9,083,026	6,675,429
TOTAL EXPENDITURES	1,617,381	5,784,639	5,973,048	1,162,249	14,537,317	12,167,390
CHANGE IN FUND BALANCES	813,904	(975,017)	(387,750)	(788,383)	(1,337,246)	352,608
FUND BALANCES, Beginning	22,049	2,011,987	3,092,615	26,222	5,152,873	4,800,265
FUND BALANCES, Ending	$ 835,953	$ 1,036,970	$ 2,704,865	$ (762,161)	$ 3,815,627	$ 5,152,873

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARAPAHOE CAMPUS
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 3,121,060	$ 3,183,885	$ 3,183,883	$ (2)
Mill Levy Override	1,001,687	1,049,716	1,049,714	(2)
Grants and Donations	25,000	97,000	86,530	(10,470)
Charges for Services	19,077	8,205	6,896	(1,309)
Interest	4,410	45,840	45,925	85
Other	160,148	52,455	52,455	-
State Sources				
Grants	157,223	195,817	125,933	(69,884)
Federal Sources				
Grants	185,333	248,528	258,286	9,758
TOTAL REVENUES	4,673,938	4,881,446	4,809,622	(71,824)
EXPENDITURES				
Current				
Instruction				
Salaries	1,667,339	1,797,732	1,669,155	128,577
Benefits	535,997	555,570	470,800	84,770
Purchased Services	342,631	347,271	341,175	6,096
Supplies and Materials	195,408	181,641	88,318	93,323
Property	29,488	26,032	4,496	21,536
Total Instruction	2,770,863	2,908,246	2,573,944	334,302
Supporting Services				
Salaries	547,250	547,250	701,388	(154,138)
Benefits	175,924	169,122	182,704	(13,582)
Purchased Services	1,681,510	2,012,398	2,046,595	(34,197)
Supplies and Materials	91,800	202,355	252,168	(49,813)
Property	-	-	21,408	(21,408)
Other	90,160	6,897	6,432	465
Total Supporting Services	2,586,645	2,938,022	3,210,695	(272,673)
TOTAL EXPENDITURES	5,357,508	5,846,268	5,784,639	61,629
CHANGE IN FUND BALANCE	(683,570)	(964,822)	(975,017)	(10,195)
FUND BALANCE, Beginning	1,770,626	2,011,987	2,011,987	-
FUND BALANCE, Ending	$ 1,087,056	$ 1,047,165	$ 1,036,970	$ (10,195)

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - STEELE CAMPUS
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 3,474,146	$ 3,811,638	$ 3,811,637	$ (1)
Mill Levy Override	1,089,550	1,239,495	1,239,538	43
Grants and Donations	25,000	-	-	-
Charges for Services	13,712	8,772	7,413	(1,359)
Interest	23,203	61,843	61,958	115
Other	-	70,406	66,469	(3,937)
State Sources				
Grants	220,340	232,669	145,024	(87,645)
Federal Sources				
Grants	202,687	243,563	253,259	9,696
TOTAL REVENUES	5,048,638	5,668,386	5,585,298	(83,088)
EXPENDITURES				
Current				
Instruction				
Salaries	1,682,455	1,773,934	1,725,960	47,974
Benefits	509,203	536,425	473,490	62,935
Purchased Services	377,200	378,121	329,594	48,527
Supplies and Materials	199,528	145,080	76,430	68,650
Property	22,440	20,864	208	20,656
Other	-	-	-	-
Total Instruction	2,790,826	2,854,424	2,605,682	248,742
Supporting Services				
Salaries	659,250	659,250	741,167	(81,917)
Benefits	199,525	199,352	190,163	9,189
Purchased Services	1,771,686	2,081,250	2,163,578	(82,328)
Supplies and Materials	72,930	170,001	214,343	(44,342)
Property	-	-	20,656	(20,656)
Other	95,079	9,000	37,459	(28,459)
Total Supporting Services	2,798,471	3,118,854	3,367,366	(248,512)
TOTAL EXPENDITURES	5,589,296	5,973,278	5,973,048	230
CHANGE IN FUND BALANCE	(540,658)	(304,892)	(387,750)	(82,858)
FUND BALANCE, Beginning	2,863,104	3,092,615	3,092,615	-
FUND BALANCE, Ending	$ 2,322,446	$ 2,787,723	$ 2,704,865	$ (82,858)

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - COMMERCE CITY CAMPUS
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Grants and Donations	$ 419,735	$ 1,144,735	$ 123,455	$ (1,021,280)
State Sources				
Grants	4,134	4,134	-	(4,134)
Federal Sources				
Grants	-	250,411	250,411	-
TOTAL REVENUES	423,869	1,399,280	373,866	(1,025,414)
EXPENDITURES				
Current				
Instruction				
Salaries	-	-	5,825	(5,825)
Benefits	-	-	3,152	(3,152)
Purchased Services	-	-	-	-
Supplies and Materials	229,000	37,500	3,536	33,964
Property	-	201,651	201,282	369
Total Instruction	229,000	239,151	213,795	25,356
Supporting Services				
Salaries	137,798	137,798	95,572	42,226
Benefits	49,071	49,071	28,003	21,068
Purchased Services	-	249,205	246,379	2,826
Supplies and Materials	8,000	8,000	10,239	(2,239)
Property	-	525,516	568,261	(42,745)
Total Supporting Services	194,869	999,590	948,454	51,136
TOTAL EXPENDITURES	423,869	1,238,741	1,162,249	76,492
CHANGE IN FUND BALANCE	-	160,539	(788,383)	(948,922)
FUND BALANCE, Beginning	-	26,222	26,222	-
FUND BALANCE, Ending	$ -	$ 186,761	$ (762,161)	$ (948,922)

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - HOME OFFICE
Year Ended June 30, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Grants and Donations	$ 255,000	$ -	$ 365,320	$ 365,320
Charges for Services	1,989,281	2,303,602	2,060,627	(242,975)
Other	-	-	1,101	1,101
State Sources				
Grants	25,694	25,513	4,237	(21,276)
TOTAL REVENUES	2,269,975	2,329,115	2,431,285	102,170
EXPENDITURES				
Current				
Instruction				
Purchased Services	-	93	17,094	(17,001)
Supplies and Materials	5,100	10,495	43,324	(32,829)
Other	-	-	452	(452)
Total Instruction	5,100	10,588	60,870	(50,282)
Supporting Services				
Salaries	856,473	850,419	840,031	10,388
Benefits	234,260	226,754	208,728	18,026
Purchased Services	351,610	367,387	452,118	(84,731)
Supplies and Materials	29,070	50,301	33,417	16,884
Property	3,392	3,392	-	3,392
Other	1,020	1,820	22,217	(20,397)
Total Supporting Services	1,475,825	1,500,073	1,556,511	(56,438)
TOTAL EXPENDITURES	1,480,925	1,510,661	1,617,381	(106,720)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	789,050	818,454	813,904	(4,550)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,000,000)	(1,000,000)	-	1,000,000
CHANGE IN FUND BALANCE	(210,950)	(181,546)	813,904	995,450
FUND BALANCE, Beginning	(31,212)	22,049	22,049	-
FUND BALANCE, Ending	$ (242,162)	$ (159,497)	$ 835,953	$ 995,450

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF NET POSITION BY CHARTER SCHOOL AUTHORIZER
(FULL ACCRUAL BASIS)
June 30, 2024

	DPS SCHOOLS	CSI SCHOOLS	TOTAL
ASSETS			
Cash and Investments	$ 3,814,149	$ 83,333	$ 3,897,482
Accounts Receivable	2,000	-	2,000
Grants Receivable	12,694	-	12,694
Inventories	38,149	-	38,149
Prepaid Expenses	120,467	12,280	132,747
Deposit	-	9,667	9,667
Due From (To) Home Office	867,441	(867,441)	-
Capital Assets, *Not Being Depreciated*	557,546	-	557,546
Capital Assets, *Net of Accumulated Depreciation*	42,848	-	42,848
Net OPEB Assets	23,923	2,555	26,478
TOTAL ASSETS	5,479,217	(759,606)	4,719,611
DEFERRED OUTFLOWS OF RESOURCES			
Pensions, *Net of Accumulated Amortization*	2,053,401	219,318	2,272,719
OPEB, *Net of Accumulated Amortization*	46,131	4,853	50,984
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,099,532	224,171	2,323,703
LIABILITIES			
Accounts Payable	275,093	-	275,093
Accrued Liabilities	2,019	-	2,019
Noncurrent Liabilities			
Net Pension Liability	3,379,364	360,939	3,740,303
TOTAL LIABILITIES	3,656,476	360,939	4,017,415
DEFERRED INFLOWS OF RESOURCES			
Pensions, *Net of Accumulated Amortization*	350,007	37,383	387,390
OPEB, *Net of Accumulated Amortization*	70,332	5,303	75,635
TOTAL DEFERRED INFLOWS OF RESOURCES	420,339	42,686	463,025
NET POSITION			
Net Investment in Capital Assets	600,394	-	600,394
Restricted for Emergencies	369,430	-	369,430
Unrestricted	2,532,110	(939,060)	1,593,050
TOTAL NET POSITION	$ 3,501,934	$ (939,060)	$ 2,562,874

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF CHANGES IN NET POSITION BY CHARTER SCHOOL AUTHORIZER
(FULL ACCRUAL BASIS)
Year Ended June 30, 2024

	DPS SCHOOLS	CSI SCHOOL	TOTAL
REVENUES			
Per Pupil Revenue	$ 6,995,520	$ -	$ 6,995,520
Mill Levy Override	2,289,252	-	2,289,252
Charges for Services	29,352	-	29,352
Operating Grants and Contributions	1,238,589	373,866	1,612,455
Interest	107,883	-	107,883
Other	120,025	-	120,025
TOTAL REVENUES	10,780,621	373,866	11,154,487
EXPENSES			
Instructional	5,121,515	319,934	5,441,449
Supporting Services	5,450,988	1,019,214	6,470,202
TOTAL EXPENSES	10,572,503	1,339,148	11,911,651
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	208,118	(965,282)	(757,164)
CHANGE IN NET POSITION	208,118	(965,282)	(757,164)
NET POSITION, Beginning	3,293,816	26,222	3,320,038
NET POSITION, Ending	$ 3,501,934	$ (939,060)	$ 2,562,874